Form 3160-5 (February 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

			CAPILOS. IV	im cii 5 t	, 2007	
5.	Lease S	erial	No.			
	NMN	IM	100335			
				m '1		

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.			NMNM 100335 6. If Indian, Allottee or Tribe Name		
1. Type of Well		N	IMNM 124539		
✓ Oil Well □ □ ☐ Gas Well □□	Other		ell Name and No. Ogden #1H		
2. Name of Operator BTA Oil Producers LLC		9. A	PI Well No.		
3a Address 104 S. Pecos, Midland, TX 79701	3b. Phone No. (include area 432-682-3753	u coue)	0-015-24206 ield and Pool, or Exploratory Area		
4. Location of Well (Footage, Sec., T., R., M., or Su.	nvey Description)		Culebra Bluff; Bone Spring, S.		
UL -G-, Sec. 29, T23S-R28E	rey Descriptiony	11. C	County or Parish, State		
1980' FNL & 1830' FEL		F	Eddy Co., NM		
12. CHECK APPROPRIATE	E BOX(ES) TO INDICATE NATURE (OF NOTICE, REPORT	Γ, OR OTHER DATA		
TYPE OF SUBMISSION	ТҮРЕ С	OF ACTION			
Notice of Intent Acidize	asing Fracture Treat	Production (Start/Resur	me)		
✓ Subsequent Report Casing Change	Repair New Construction	Recomplete Temporarily Abandon	produced water		
Final Abanda mant Matica	Plans Plug and Abandon L t to Injection Plug Back	Water Disposal	produced water		
Attach the Bond under which the work will be following completion of the involved operation	omplete horizontally, give subsurface locations are performed or provide the Bond No. on file with is. If the operation results in a multiple completion int Notices must be filed only after all requiremen	nd measured and true vertical BLM/BIA. Required subseton or recompletion in a new	al depths of all pertinent markers and zones. quent reports must be filed within 30 days interval, a Form 3160-4 must be filed once		
BTA disposes of produced water from t disposal facility via a transfer line.	his well at our Watts Federal #1, 33-015-24	4640, Sec 31, 23S-28E.	The produced water is moved to the		
Additional information is detailed on th	e Water Production and Disposal Informa	ition data sheet attached	- ACCEPTED FOR RE		
CDD ATTACIII	ED EOD		JAN 4 2011		

SEE ATTACHED FOR CONDITIONS OF APPROVAL /s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Pam Inskeep	Title	Regulatory Adm	inistrator	ı	RECEIVED
Signature HM MWHILL	Date	Regulatory Auto	12/10/2010		JAN 05 2011
THIS SPACE FOR FEDERA	L OR	STATE OFF	ICE USE		NMOCD ARTESIA
Approved by		Title		Date	
Conditions of approval, if any, are attached. Approval of this notice does not warr certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.		Office			
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for an	ly person	knowingly and wi	Ilfully to make to a	ny depar	tment or agency of the United

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1.	Name of formations producing water on the lease. Bone Spring
2.	Amount of water produced from all formations in barrels per day. 140 bbls
	·
3.	How water is stored on lease. no water is stored on lease
4.	How water is moved to the disposal facility. through a transfer line
5.	Identify the Disposal Facility by: A. Facility Operators name. BTA Oil Producers LLC
	B. Name of facility or well name and number. Watts Federal #1
	C. Type of facility or well (WDW) (WIW) etc.
	D. Location by ¼ ¼ NENE Section 31 Township 23S Range 28E
6.	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)







ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR ANITA LOCKWOOD CABINET SECRETARY 2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

ADMINISTRATIVE ORDER SWD-572

APPLICATION OF SDX RESOURCES, INC. FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), SDX Resources, Inc. made application to the New Mexico Oil Conservation Division on September 26, 1994, for permission to complete for salt water disposal its Watts Federal Well No.1 located 910 feet from the North line and 800 feet from the East line (Unit A) of Section 31, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
 - (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its SDX Resources, Inc.Watts Federal Well No.1 located 910 feet from the North line and 800 feet from the East line (Unit A) of Section 31, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Lower Delaware and Bone Springs formations at approximately 5737 feet to 7775 through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 5637 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1147 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Lower Delaware and Bone Springs formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided Administrative Order SWD-572 SDX Resources, Inc. November 2, 1994 Page 3

however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 2nd day of November, 1994.

WILLIAM J. LEMAY, Director

WJL/BES

xc: Oil Conservation Division - Artesia

US Bureau of Land Management - Carlsbad

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

Previous Operator Information:

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505 Submit 1 copy of the final affected well list along with 2 copies of this form pe number of wells on that list t appropriate District Offic

New Operator Information:

Form C-104.

August 11, 200

Change of Operator

		Effective Date:	2/1/03
OGRID:	020451	New Ogrid:	124768
Name:		New Name:	MNA Enterprises Ltd. Co.
	PO Box 5061	Address:	106 W Alabama
Address:		Address:	
City, State, Zip:	M: 11 1 my 7070/	City, State, Zip:	Hobbs, NM 88242
form and the atta New Operator Signature: Printed name: Title:	Daniel M. Alexander Managing Member 2-18-03 Phone: Daniel M. Berger Managing Member 505/39	best of my knowledge	
Previous operator	complete below:	3	NMOCD Approval
Previous			• 42 64)
Operator:	SDX Resources, Inc.	Signature: 2	in W. Gum
Previous		Printed	
OGRID:	020451	Name O 3	A care
oolub		I vaine.	act signal con
Signature:	Ch Cal	District:	
Printed Name:	19		FEB 2 7 2003
	John Pool	Date:	LED P : This
		Duw.	

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WELLS INVOLVED IN OPERATOR CHANGE FINAL LIST WITH C-104A

FEB 5, 2003

This is a final list of wells being transferred. If all bonding requirements are satisfied, submit this list to the OCD District with your C-104A.

PREVIOUS OPERATOR: 20451 SDX RESOURCES INC

NEM ODEDATOD.

124768

MNA Enterprises Ltd. Co.

OCD DISTRICT: ARTESIA

PROP- ERTY	WELL NAME	ULSTR	OCD UNIT LTR		WELL TYPE		POOL NAME	LAST PROD/INJ
20423	OGDEN #003	J-29-23S-28E	J	30-015 - 3016	3 C	40360	LOVING; DELAWARE	10-2002
22508	WATTS FEDERAL #001	A-31-23S-28E	А	30-015-2464	0 S	96100	SWD; DELAWARE	10-2002
22340	LAST MINUTE STATE #001	F-32-23S-28E	F	30-015-3005	5 C	40360	LOVING; DELAWARE	10-2002
18172	STATE JB COM #001	E-32-235-28E	E	30-015-2351	4 C	40360	LOVING; DELAWARE	10-2002



PAGE 10

WELLS INVOLVED IN OPERATOR CHANGE FINAL LIST WITH C-104A

FEB 5, 2003

This is a final list of wells being transferred. If all bonding requirements are satisfied, submit this list to the OCD District with your C-104A.

PREVIOUS OPERATOR: 20451 SDX RESOURCES INC

NEW OPERATOR:

124768

MNA Enterprises Ltd. Co.

OCD DISTRICT: ARTESIA

PROP- ERTY	WELL NAME	ULSTR	OCD UNIT LTR		WELL TYPE	POOL	POOL NAME	LAST PROD/INJ
21122	CASSIDY #001	E-29-235-28E	3	30-015-2334	0 G 4	40380	LOVING; DELAWARE, SOUTH	10-2002
20423	OGDEN #001	G-29-23S-28E	G	30-015-2420	6 G (40360	LOVING; DELAWARE	10-2002



<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

Previous Operator Information

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

New Operator Information

Form C-145 Permit 48325

Change of Operator

		Effective Date:	2 1 2007	
OGRID:	GRID: 124768 O		3002	
Name:	MNA ENTERPRISES LTD CO	Name:	BTA OIL PRODUCERS	
Address:	ress: 106 W ALABAMA Addr		104 S PECOS	
Address:		Address:		
City, State, Zi	p: HOBBS, NM 88242	City, State, Zip:	MIDLAND, TX 79701	
	that the rules of the Oil Conserva this form and the certified list of the	wells is true to the b	est of my knowledge and belief.	
r revious Ope	r ator	New Oper	ator	
Signature:) and M. Altar	Signature:	X+52(/	
		70 ' . 1		
Printed		Printed		
Printed Name: D	aniel M. Alexanda	Name:	Stuart Beal	
Name: D	aniel M. Alexanda	Name: Title:	Stuart Beal Partner	
Name: D		Title:		
Name: D	anager Member	Title:	Partner	
Name: D	anager Member 16-07 Phone: 505-392-	Title:	Partner	
Name: D	anager Member 16-07 Phone: 505-392- NMOCD	Title: 2701 Date: Approval	Partner	

Feam 3160-5 (February 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED

LOKM ALLVOACE
OM B No. 1004-0137
Expires: March 31, 200

BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS Of Do not use this form for proposals to drill or abandoned well. Use Form 3160-3 (APD) for st	o re-enter an 6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE- Other instructions or	7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well Gas Well Other	8. Well Name and No.
2. Name of Operator BTA Oil Producers	Watts Federal, 20509 JV-P, #1 9 API Well No.
3a Address 3b. Phone No. 104 S. Pecos, Midland, TX 79701 432-682-3	o. (include area code) 30-015-24640 10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL -A-, Sec. 31, 23S-28E 910' FNL & 800' FEL	SWD; Delaware 11. County or Parish, State Eddy Co., NM
12. CHECK APPROPRIATE BOX(ES) TO INDICATE	NATURE OF NOTICE, REPORT, OR OTHER DATA
Attach the Bond under which the work will be performed or provide the Bond No following completion of the involved operations. If the operation results in a mult	Temporarily Abandon Temporarily Abandon Water Disposal Unding estimated starting date of any proposed work and approximate duration thereof ce locations and measured and true vertical depths of all pertinent markers and zones. on file with BLM/BIA. Required subsequent reports must be filed within 30 days in the completion or recompletion in a new interval, a Form 3160-4 must be filed once all requirements, including reclamation, have been completed, and the operator has Enterprises Ltd. Co., 106 W. Alabama, Hobbs, NM 88240 (505) chase is 2/1/2007.
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	
Pam Inskeep	Title Regulatory Administrator
Signature 1/1/1/2011	Date 03/21/2007
THIS SPACE FOR FEDERAL	OR STATE OFFICE USE
Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrancertify that the applicant holds legal or equitable title to those rights in the subject lewhich would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any States any false, fictitious or fraudulent statements or representations as to any matter.	Office Description knowingly and willfully to make to any department or agency of the United

<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II 1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720

Previous Operator Information

State of New Mexico Energy, Minerals and Natural Resources

Form C-145 Permit 75787

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

New Operator Information

Change of Operator

		Effective Date:	5/1/2008		
OGRID:	3002	OGRID:	260297		
Name:	BTA OIL PRODUCERS	Name:	BTA OIL PRODUCERS, LLC		
Address:	104 S PECOS	Address:	104 S. PECOS		
Address:		Address:			
City, State, Zip	MIDLAND, TX 79701	City, State, Zip:	MIDLAND, TX 79701		
			been complied with and that the pest of my knowledge and belief.		
Previous Ope	rator	New Open	rator		
Signature:	an Onskup	Signature:	Hm Inskeed		
Printed		Printed			
Name: Par	m Inskeep	Name:	Pam Inskeep		
Title: Re	gulatory Administrator	Title:	Regulatory Administrator		
Date: 06	/02/08 Phone: 432-682-3	753 Date:	06/02/08 Phone: 432-682-3753		
	NIMOCD A.				

NMOCD Approval

Electronic Signature: Paul Kautz, District 1
Electronic Signature: Carmen Reno, District 2

Date: <u>June 02, 2008</u>



Number	11LB007W
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2000 1 of ?		
age 1 or 3	age	1 of 3

	Certified Mail - Return Receipt Requested
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UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

NOTICE OF WRITTEN ORDER

	IDENTIFICATION
IID	
Lease	
CA	NMNM124539
Unit .	
DA	

Success of Land Management Office CARLSBAD FIELD OFFICE Address Date CARLSBAD FIELD OFFICE Address Date SUITH PECOS STREET Address Date CARLSBAD NM 88220 Amenion					TICE OF		XII I	LIVOR	DEK	P/	A .	
Address G2A E GREENE STREET CARLSSAD NM 8822D Telephone 575-234-5972 Improctor BRUMLEY Site Name BRUMLEY Site Name Well or Facility Well or Well	Bureau of Land Management C	ffice					Operat	or		•		
Talleshane 575-234-5972 Inspective 575-234-5972 Inspective BRUMLEY OGDEN FORM OGDEN Wild a Facility OGDEN SWNE 29 23S 28E NMP EDDY NM Site Name Well or Facility Well or Facility If 4 14 Section Township Range Neridian County State NMP EDDY NM Site Name Well or Facility If 4 14 Section Township Range Neridian County State NMP EDDY NM Site Name Well or Facility If 4 14 Section Township Range Neridian County State NMP EDDY NM Site Name Well or Facility If 4 14 Section Township Range Neridian County State Authority Reference County State Authority Reference County The following condition(s) were found by Sharca of Land Management Inspectors on the date and at the sate(s) lated above. Place Time [24-land clock) County The following condition(s) were found by Sharca of Land Management Inspectors on the date and at the sate(s) lated above. County Remarks Remarks Remarks Remarks Authority Reference County Authority Reference County Authority Reference County Authority Reference County Remarks Remarks Authority Reference County Authority Reference County Remarks Remarks Authority Reference County Authority Reference County Remarks Remarks	•		FIELD C	FFICE			ļ ·		BTA OI	L PRODUCE	RS	
Size Name OGDEN FED COM 1H Well or Facility OGDEN SWNE 2B Size New Well or Facility OGDEN SWNE 2B Size Name Well or Facility OGDEN Swine Well or Facility OGDEN Swine OGDEN The following condition(s) were brazel by Buerau of Land Management Inspectors on the data and at the steet) Sixed above. Date Office Completed by Corrected Ordered Corrected Ordered Order by the abatement date. Any questions may be directed to: (Remarks continued on following page(s)) When the Written Order is compiled with, sign this notice and return to above address. Organia Representative Title Order is compiled with, sign this notice and return to above address. Organia Comments Please see attached data sheet and Administrative Order Warning The Authorized Officer has authority to issue a Written Order in accordance with 45 CFR 161.2. Written Order correction and reporting time frames begin upon re this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from recipi of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from recipi of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from recipi of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed tinner from recipi of this Notice or 7 business days after the date	Ų						Addres	SS				
BRUMLEY Wolf or Facilty Wolf or Facilty Wolf or Facilty Wolf or Facilty If 14 Section Township Size Name Wolf or Facilty If 14 Section Township Range Mendian County State NM EDDY NM Size Name Wolf or Facilty If 14 Section Township Range Mendian County State The following condition(s) were found by Brease of Land Management Impectors on the date and at the size(s) faced above. The following condition(s) were found by Brease of Land Management Impectors on the date and at the size(s) faced above. Date Time (24-hour dock) Corrective Action to be Completed by Corrected 11/12/2010 14:15 12/13/2010 12/10/10 43 CFR 3162.1(a) OOPF.ILB.2.a. Per Onshore Order #7 a sundry notice at 5160-5 shall be submitted along with the relevant information to ensure all required information is submitted on the sundry notice. Instructions I thru 6 on the cheat sheet must be completed and returned on the sundry notice to the above referenced address. When the sundry with all pertinent information has been submitted sign and return this written order by the abatement date. Any questions may be directed to: (Romarks continued on following page(s).) When the Written Order is complied with, sign this notice and return to above address Company Comments Please see attached data sheet and Administrative Order Warning The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 116.1.2. Written Order correction and reporting time frames begin upon re this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipplation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipplation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipplation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed,	Telephone					Attenti	on					
Size Name OGDEN FED COM 1H OGDEN SWN E 29 23S 28E NMP EDDY NM Size Name Well or Facility Well or Well or Facility Well or Fac	Inspector						Attn A	ddr				
OGDEN FED COM 1H OGDEN SWNE 29 23S 28E NMP EDDY NM Site Name Well or Facility 1/4 1/4 Section Township Range Mendian County State Well or Facility 1/4 1/4 Section Township Range Mendian County State The following condition(s) were found by Bureau of Land Management Inspectors con the date and at the safe(s) listed above. Date C4-lower locks Compiled by Corrective Action to be Compiled by Corrective Action to be Campiled by Corrective Action to be Campiled by Corrective Action to be Compiled by Corrective Action to be consulted along with the relevant information to ensure proper disposal of produced water. A cheet sheet has been attached to ensure all required to ensure all required and returned on the sundry notice to the above referenced address. When the sundry with all pertinent information has been submitted sign and return this written order by the abatement date. Any questions may be directed to: (Remarks continued on following page(s).) When the Written Order is compiled with, sign this notice and return to above address. Company Representative Title Reg. Administrator Signature Date 12/10/10 Company Comments Please see attached data sheet and Administrative Order Warning The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 316.1 (a). Failure to comply with the file message begin upon re this Notice or 7 business days after the date is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed improved to the Bureau of 1 and Management Office at		BF			•							
Site Name Well or Facility The following condition(s) Were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above. Date (24-hour clock) Time (24-hour clock) Corrective Action to be Completed by Corrected Corrected Authority Reference Reference Authority Reference Authority Reference Reference Authority Reference Reference Reference Authority Reference Reference Authority Reference Reference Authority Reference Referen								-DDV	1			
The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above. Date (24-livour clock) (24-livour clock								<u> </u>				
Date Time (24-hour clock) Corrective Action to be Completed by Corrected Authority Reference 11/12/2010 14:15 12/13/2010 12/10/10 43 CFR 3162.1(a) OO#7.III.B.2.a. Remarks:	Site Name		Well or Faci	lity	1/4 1/4 Section	Towns	hip	Range	Meridian	County		State
11/12/2010		The follo	wing condition	n(s) were for	und by Bureau of	Land Ma	anageme	nt Inspectors on	the date and at the	site(s) listed abov	re.	
Remarks Per Onshore Order #7 a sundry notice 3160-5 shall be submitted along with the relevant information to ensure proper disposal of produced water. A cheat sheet has been attached to ensure all required information is submitted on the sundry notice. Instructions 1 thru 6 on the cheat sheet must be completed and returned on the sundry notice. Instructions 1 thru 6 on the cheat sheet must be completed and returned on the sundry notice to the above referenced address. When the sundry with all pertinent information has been submitted sign and return this written order by the abatement date. Any questions may be directed to: (Remarks continued on following page(s).) When the Written Order is complied with, sign this notice and return to above address. Company Representative Title Reg. Administrator Signature Warning The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon re this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each sti	Date	Т	ime	Соггес	rive Action to be			Date		Authorit	y Reference	
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BLM Remarks, continued

Legion Brumley (O) 575-234-5957 (C) 575-361-3570 legion_brumley@nm.blm.gov

Bureau of Land Management RECEIVED

DEC 17 2010

Carlsbad Field Office

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
- 6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 9. Disposal at any other site will require prior approval.
- 10. Subject to like approval by NMOCD.

9/30/2010